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## What It Takes to Be a Foreman 1,915 Foremen Write Their Own Job Specifications

**B**EFORE ANYONE can measure up adequately to the requirements of a job or task he must know the specifications of the job. Progress and accomplishment can be registered only in terms of a known objective. Recognition of this fact has played a large part in the growth of job analysis, job evaluation, and employee rating plans covering production jobs. Likewise, management has become increasingly specific with regard to its conception of the duties and responsibilities of supervisory employees. It has outlined what it needs and expects of its foremen and, in many cases, has followed this up by conducting foreman training courses of one kind or another to develop and stimulate the qualities and traits considered essential.

Much has been written and said in recent years about the foreman—about his importance in the general scheme of business and industry, the exacting requirements of his job, and how much depends on the way he fulfills his responsibilities. But what do foremen themselves think about their job? After all, they are the men who must be the living exemplifications of progressive foremanship. They are the men who are out on the line facing daily and hourly the multitude of incidents and situations that arise in plant operation. They are the men who day in and day out, and in spite of everything, must get out production, must conserve equipment, materials and supplies entrusted to them, must keep costs low, must protect the health and safety of their men, and must act wisely as management representatives in dealings with employees under their direction. To them foremanship is not an abstract ideal or the function of a subordinate—it is their profession.

In the expressive parlance of the day—"they know what it takes." What, then, do the foremen themselves regard as the most important attributes, qualifications or traits of character that are essential to good foremanship, and what do they believe are a foreman's responsibilities to his men and to higher management?

Obviously it should be enlightening if it were possible to examine a consensus of some hundreds of foremen on this subject. If a large number of thoughtful foremen would set down on paper their conceptions of what constitutes good foremanship in the light of their experience and observation, the resulting composite picture should be worthy of the most careful and serious consideration by management executives.

Last year THE CONFERENCE BOARD invited foremen in affiliated companies to compete in a contest for the best statements in answer to the question: "What Can a Foreman Do to Build High Morale in His Department?" At first thought this question might seem to be more along inspirational than practical lines, but actually it is an intensely practical question. No foreman ever built high morale simply by back-slapping or by trying to kid his men along. High morale is found only where there is good organization and management, where work is well planned and there is a smooth and orderly flow of production, where a spirit of fair dealing is found all up and down the line, where the health, comfort and safety of employees are conscientiously safeguarded, and where natural and spontaneous friendliness and cooperation have become a fixed custom. When, therefore, a foreman is asked how he can build high morale in his department he is really being asked

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how he can do a top-notch, all-around job as a foreman in all its varied aspects. And that is how the foremen who competed in the contest took the question.

Nearly 2,000 foremen from all parts of the country, and from all types of industries, contributed their ideas about the essentials of good foremanship. Many remarked that they had had many years of supervisory experience, but if the average length of service as a foreman of each contestant is conservatively estimated at only five years, nearly 10,000 years of supervisory experience are represented in the statements received. They also represent probably a greater length of service under other foremen, prior to their promotion to the supervisory rank, with the consequent advantage of knowing the rank and file worker's attitude toward various supervisory policies.

These statements by foremen have been carefully analyzed with a view to learning what foremen themselves stress as being most essential to success in supervisory work. It is impossible to present the results of this analysis with statistical accuracy because the same idea may be expressed in many ways, and one cannot always be certain that he is correctly interpreting what the author had in mind. No attempt will be made, therefore, to state just how many times each thought was expressed, but rather to present what was obviously in the minds of a great many foremen as the most essential qualities a foreman should possess or cultivate and the most important considerations in the successful administration of his department.

#### PERSONAL CHARACTERISTICS

There is no question but that the characteristic most frequently stressed as essential to good foremanship was fairness—fairness to his men, fairness to his fellow foremen, and fairness to the company. Many ways in which fairness to his men should find expression were mentioned. He must not permit his personal likes and dislikes to influence his judgment of his men and their work. He must be sure to show no partiality—he must not give the desirable, well-paying jobs to his favorites, and the less desirable jobs to those he doesn't like. He must give freely of his time to help and instruct. He must make each employee feel that his chances for advancement depend entirely upon his ability and value to the company. And, finally—and this was constantly repeated and stressed—he must give full credit to his men for ideas and suggestions that come from them. There must be no stealing of their suggestions and passing them on as his own. From the number of times this point was mentioned and the importance that was evidently attached to it, one would judge that either there were a lot of guilty consciences or else many victims of bitter experience.

The foreman must be a leader. The days of the two-fisted gang boss are a thing of the past, and today the

foreman must command respect because of his ability and demonstrated superiority to the men under his direction.

He must understand men and be able to analyze those working for him so that he will understand their reactions, and, instead of rubbing them the wrong way, he can stimulate willing cooperation and not merely obtain passive obedience.

He must be truthful—slow to make promises but scrupulous in making good on those he does make.

He must be dignified but not "high-hat"—he must maintain his position and yet be democratic and friendly.

He must be open-minded—always willing to listen to a grievance or suggestion from any of his men, and always on the lookout for ways to make improvements in his department.

He must have self control—not lose his temper and make scenes which humiliate the victims of his tirades and also distract the attention of everyone else in the department from their work.

He must take a genuine and personal interest in his men as individuals—talk to them occasionally about their families or their hobbies, attend their social affairs when invited, be human and accessible to his men when they are in trouble, and, when appealed to, act as a wise friend and counsellor.

In addition, he should possess the traits that are assets everywhere—courtesy to all ranks, patience, sincerity, tact and enthusiasm.

These foremen have set a high standard for themselves. It is doubtful whether a group of management executives could draw a clearer picture of the type of foreman they would like to have in charge of the various departments of their plants. If these are the traits of character that a foreman should possess or acquire, how should they be given expression in his dealings with his men?

#### THE FOREMAN'S RESPONSIBILITIES

First of all, he must be loyal to his men as he expects them to be loyal to him. He must understand their point of view on questions of company policy that affect them. When he thinks they are wrong he must try to show them why they see things in the wrong light. When he thinks they are right he must back them up and try to explain their point of view to higher management. If he believes an injustice has been done to one of his men he must be willing to go to the mat for him. This does not mean that he can, or should, try to override the final decision of a superior, but it does mean that he should not be just a "yes" man, afraid to speak up for his men for fear of prejudicing his own standing with his superiors.

He must accept responsibility for improving the skill and performance of his men by acting as a conscientious



instructor and guide, especially when a new man comes into his department. He must take him in charge, see that he gets a good start, understands what is expected of him, learns about company policies and rules, and gets acquainted quickly with those working near him. He must place each man in the right job for *him*, where he can function to the best advantage for the company and for himself, and must coach him along until he reaches the best performance of which he is capable.

He must be a good planner, in so far as planning is within his control, and see that machinery and equipment are kept in such condition that his men can realize their full earning capacity, keep work evenly distributed and moving smoothly.

He must make positive decisions. This does not mean "snap" judgments; he can take his time to make up his mind and be sure he is right, but when he reaches a decision it should be clear-cut, not an attempt to straddle the issue.

He should try to give the 'reason why' for orders, particularly if they are likely to be unfavorably received. As a result of the constantly rising educational level of the working force, the foreman today is dealing with persons who think and have definite ideas. To ignore this reasoning power is to antagonize it. Cooperation built on understanding is intelligent and willing cooperation.

He must give his full attention to complaints and grievances, treat each one seriously, no matter how trivial it may seem to him, and try to secure a prompt and satisfactory settlement.

He must be a good housekeeper and insist on neatness and orderliness throughout the department. Disorderly surroundings often lead to slovenly work, as well as creating accident hazards.

He must be quick to praise a job well done and so encourage his men to excel.

If it becomes necessary to reprimand a man this should always be done quietly and in private. The old custom of bawling a man out before the whole department has long since been discarded by wise foremen who realize that such a practice only humiliates the man and stirs his longing for revenge.

He must work constantly to develop safety-consciousness on the part of his men. The men in the department are apt to take their cue from the foreman; if he takes safety regulations and safety equipment seriously, they do also. The foreman is responsible for safety conditions in his department.

It was repeatedly brought out in the statements submitted by foremen that the foreman has other obligations in addition to those he owes to his men. The responsibility toward fellow foremen most frequently emphasized was that of cooperation—not just offering to cooperate and going through the motions, but giving willingly and spontaneously genuine and sincere cooper-

ation. The best way to get cooperation, according to many of these foremen, was to give it. One foreman, for example, who worked in a shift industry, told how careful he was to leave everything in his department in good order for the foreman who took over on the next shift. Another made a practice of leaving a memorandum for the foreman who followed him, explaining just how each job stood. A third was careful to keep the foreman in the next department advised about the progress in his own, so that this foreman in the next department could know how to plan his work. These are merely examples of how cooperation between foremen can be made real and genuine.

A practice that was very much condemned was that of "passing the buck" for faulty work. Of course, it was natural to want to escape blame, but the foreman who was man enough to take the responsibility when the fault originated in his department won the lasting respect of his men, his fellow foremen, and his superiors.

A great point was made of the bad effect of making a disparaging remark about another foreman before his men. This not only weakened that foreman's position with his men and made them feel contempt for the man who made such remarks, but weakened the whole organizational morale by giving an impression of lack of harmony and working at cross purposes.

Much stress was placed on the value of foreman conferences. They permit foremen to get together in an informal way and develop a friendly feeling that carries on in their day-to-day relationships. Well-conducted conferences give each foreman an understanding of the other man's problems and make him more tolerant in his judgment of apparent failures and shortcomings. Foremen have an opportunity to submit their problems for general discussion and can often learn from the experience of other foremen how to deal with these problems effectively.

#### MANAGEMENT'S RESPONSIBILITIES

These foremen were not backward in setting a stiff standard for themselves. But must efficiency, fairness, and cooperativeness be all on their side, or does management owe them some help and consideration? Many foremen had definite ideas of how management could help them substantially to do a better job. While these suggestions covered a wide range, they can be summarized under six major headings.

**First**, they ask for a basic company policy that they understand and believe is right, covering such matters as wages and working conditions—one that they can conscientiously endorse and sell to their men. No foreman can be expected to convince others of the justice of a policy if he has not been convinced himself.

**Second**, they want their departments equipped with machinery and tools in good condition and suited to



the work to be done so that they can turn out high-grade production in good quantity and at low cost, and be able to build up the craft pride of their workers.

**Third**, they want to be assured of management's support. Unless it is obvious to his men that the foreman possesses the confidence and backing of his superiors so long as he deserves them, he cannot secure the respect for his position and his decisions that is necessary for efficient operation.

**Fourth**, they want the dignity of their positions upheld. For one reason or another orders may at times be given directly to rank and file employees without going through the foreman. This short-circuiting of the foreman is probably unintentional, but it may be disastrous to the respect in which he is held by his men. It gives the impression that he is being ignored by his superiors and that, therefore, he may safely be ignored to some extent by his men. The frequency with which this point was commented on indicates that this difficulty is not confined to only a few plants.

**Fifth**, they want a chance to contribute their viewpoints and experience when company policy affecting employees is being formulated. They are the men, they argue, who are working every day with rank and file employees and should know, better than anyone else, the point of view and method of reasoning of the average employee. Moreover, they are the men who must carry the policy into effect after it has been decided upon. As they see it, nothing can be lost and much may be gained by getting the foremen's ideas before definitely adopting a policy.

**Sixth**, they want to be given more information about the company, its objectives and its problems. Their men are much more curious about many matters than they used to be. They are asking questions, and if the foreman cannot answer reasonable questions in an intelligent way, both he and the company suffer in the eyes of the questioners. These foremen feel that management should take pains to keep them informed about business and company conditions and problems, and the underlying reasons for company policies that have been or are to be adopted when these policies affect their departments and their men. Also, they want more and better training themselves so that they can more fully measure up to what management expects of them.

### CONCLUSION

Industrial operation and the problems of management have become progressively more difficult and complex. Large-scale operation, constant technological change, and, more recently, frequent fluctuations in business conditions, and a fundamental change in labor attitudes, have created conditions that emphasize management's great dependence on its foremen. The best in super-

visory ability is needed. Managements generally recognize this fact and are giving more thought than ever before to the development of their supervisory personnel. And if the expression of supervisory opinion, viewpoint and attitude reflected in the summary above, shows anything, it shows that management has an excellent foundation on which to build—that the foremen of the country not only sense their growing responsibility, but are able, willing and eager to measure up to the high standard that has been set for them both by circumstances and by management pronouncement.

One cannot help but wonder, after reading hundreds of these statements by foremen, whether in some cases management is not losing a great potential asset by failing to accord to its foremen in actual practice a status which is implicit in its emphasis on the fact that the supervisory force is a part of management. Are foremen being made to feel that they are a part of management in fact, or do they hold this status only in name? Judging by the comments of many of them there is serious doubt in their minds as to just where they stand. There seems to be a definite feeling that on the one hand they are patted on the back and told how important they are, and how much management depends on them, while, on the other, they are held at arm's length and not admitted to a real place in management. There is evident a feeling that actually they are a sort of hybrid—not part of the working force and yet not really regarded and treated as a responsible part of the management.

If foremen are as important as they are told they are, then they are consistent when they ask that they be given not merely a set of specifications and a high standard of accomplishment that they must live up to regardless of what management may or may not do, but that they be admitted to a close, intimate and dignified collaboration with higher management for a common objective. Their arguments for a consultative part in the formulation of industrial relations policy are certainly logical—that they are in daily contact with those who will be affected by the policy; that through this contact they know the thoughts and attitudes of their men and can tell in advance what their reaction to a given policy will be; and that they are, after all, the men who must carry the policy into effect. Their plea for more knowledge about general conditions affecting the business and about the company and its problems, in order to be in a position to give accurate answers to perfectly natural questions asked them by their men, as well as to prove that they are really in the confidence of the management, seems not only reasonable but highly constructive. At a time when so much thought has been given to ways for giving to employees some understanding about our economic system and about the problems with which the particular company is confronted, it seems hardly credible that in some companies the foremen who constitute the



natural points of contact between management and worker are having to plead for such information.

The more progressive foremen of the country at least are ready and willing to go forward to meet the demands of a higher conception of foremanship. If they are able to do this they will draw up with them, to some extent at least, the less progressive ones. What they seem to need to make their ambition effective is less eulogy and more wholehearted recognition from higher management of their true status; fewer generalizations about the nec-

essity for the highest type of foremanship and more practical collaboration in the task of making each department a smoothly functioning unit of the organization, composed of intelligent, understanding employees working together to produce economically a high quality product for the benefit of all. Will management generally respond to this challenge and this opportunity?

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## Wage Rate Increases in Canadian Industry

WAR CONDITIONS are not long in making their effects felt in a country's industry. This is currently being demonstrated again across the border in Canada. Intensified manufacturing activity, a rise in prices, the development of an increasingly acute shortage of skilled mechanical labor, sooner or later bring about an upward trend of wage rates. The Industrial Relations Section of the School of Commerce and Administration of Queen's University, Kingston, Ontario, has made a survey of wage changes in Canadian industry from September 1, 1939 to January 31, 1940. Of the 320 companies covered in the survey, 122 had granted wage or salary increases during this period affecting some or all of their employees. A classification of these data by industries is shown in the accompanying table.

In some cases no reasons for granting the increases were given. Among the companies that gave reasons the rise in the cost of living predominated. Other reasons included competitive bidding for skilled labor, making it necessary to meet competitors' wage rates; increased business, making the payment of higher wages possible; and a desire to share with employees the results of profitable operation.

In addition to the wage increases shown in the table, the following arrangements were cited which would automatically increase compensation if certain conditions were met:

When the cost of living increases 5% over that prevailing on September 1, 1939, a cost of living bonus of 5% will be paid to all employees. For each successive rise of 5%, additional 5% bonuses will be paid.

Five per cent, plus one week's extra pay, as an adjusted compensation paid by the workers to themselves out of surplus in labor reserve account—collective agreement.

A cost of living bonus in even amounts of 5%, 10%, 15% and so forth. The 5% started when the cost of living index had gone up 2½% above the September figure and will remain at 5% until the index reaches 7½% increase, when the bonus will be increased to 10%—voluntary.

A bonus system in 5% (of earned wages or salaries) increases, following similar step increases in the cost of living index for Toronto to meet increase in the cost of living—voluntary.

In one mining company, which evidently has a sliding-scale system of wage payment, the bonus (dependent on metal prices) has increased wages 38¢ per shift.

### RESULTS OF SURVEY OF WAGE POLICY OF 305 CANADIAN INDUSTRIAL CONCERNS FROM SEPTEMBER 1, 1939 TO JANUARY 31, 1940, CLASSIFIED BY INDUSTRY

Source: Industrial Relations Section, Queens University, Kingston, Ontario

Industry	Total Companies Covered	Number of Companies in Which		
		No Increases Were Reported	Increases to Certain Groups Were Granted	Blanket Increases Were Granted
Airplanes.....	3	1	1	1
Automobiles and supplies.....	4	4	..	..
Electrical equipment.....	14	8	3	3
Industrial and agricultural machines, tools and equipment....	36	19	5	12
Heavy iron and steel—primary and structural.....	6	4	..	2
Other iron and steel products....	18	9	4	5
Other metals and their products..	6	3	..	3
Food products.....	19	14	3	2
Breweries and distilleries.....	4	4	..	..
Shoes.....	10	6	..	4
Other leather products.....	7	1	..	6
Primary textiles.....	16	3	3	10
Clothing.....	10	5	..	5
Furniture and household furnishings.....	10	1	2	7
Building materials and supplies...	12	9	..	3
Lumber and wood products.....	23	19	1	3
Printing and publishing.....	9	9	..	..
Paper boxes and stationery.....	4	3	1	..
Drugs and medical supplies.....	3	2	..	1
Chemicals.....	3	1	1	1
Soap.....	5	4	..	1
Petroleum and its products.....	4	4	..	..
Rubber and rubber products....	12	8	3	1
Miscellaneous manufacturing.....	13	11	1	1
Gas.....	5	5	..	..
Electric Power.....	10	8	1	1
Coal mining.....	6	4	..	2
Gold mining.....	12	11	..	1
Base metals—mining, smelting and refining.....	5	3	1	1
Railway equipment.....	1	..	1	..
Shipbuilding and repairs.....	1	1	..	..
Transportation and storage.....	11	10	1	..
Communication.....	3	3	..	..



## A Glance at Labor Statistics

**Average Hourly Earnings** of all wage earners in 27 manufacturing industries rose slightly from 73.0¢ in November to 73.3¢ in December, 1939. The corresponding figure for December, 1938 was 71.7¢

**Average Weekly Earnings** of all wage earners increased from \$28.57 in November to \$28.61 in December, 1939. The corresponding figure for December, 1938 was \$26.14.

**Employment** increased for the fourth successive month from 94.7 in November to 97.1 in December, 1939. This amounts to a gain of 15% since August, 1939. In December, 1938 the figure was 84.0.

**Average Hours of Work** per week declined slightly from 39.1 hours in November to 39.0 in December, 1939.

The corresponding figure for December, 1938 was 36.6 hours.

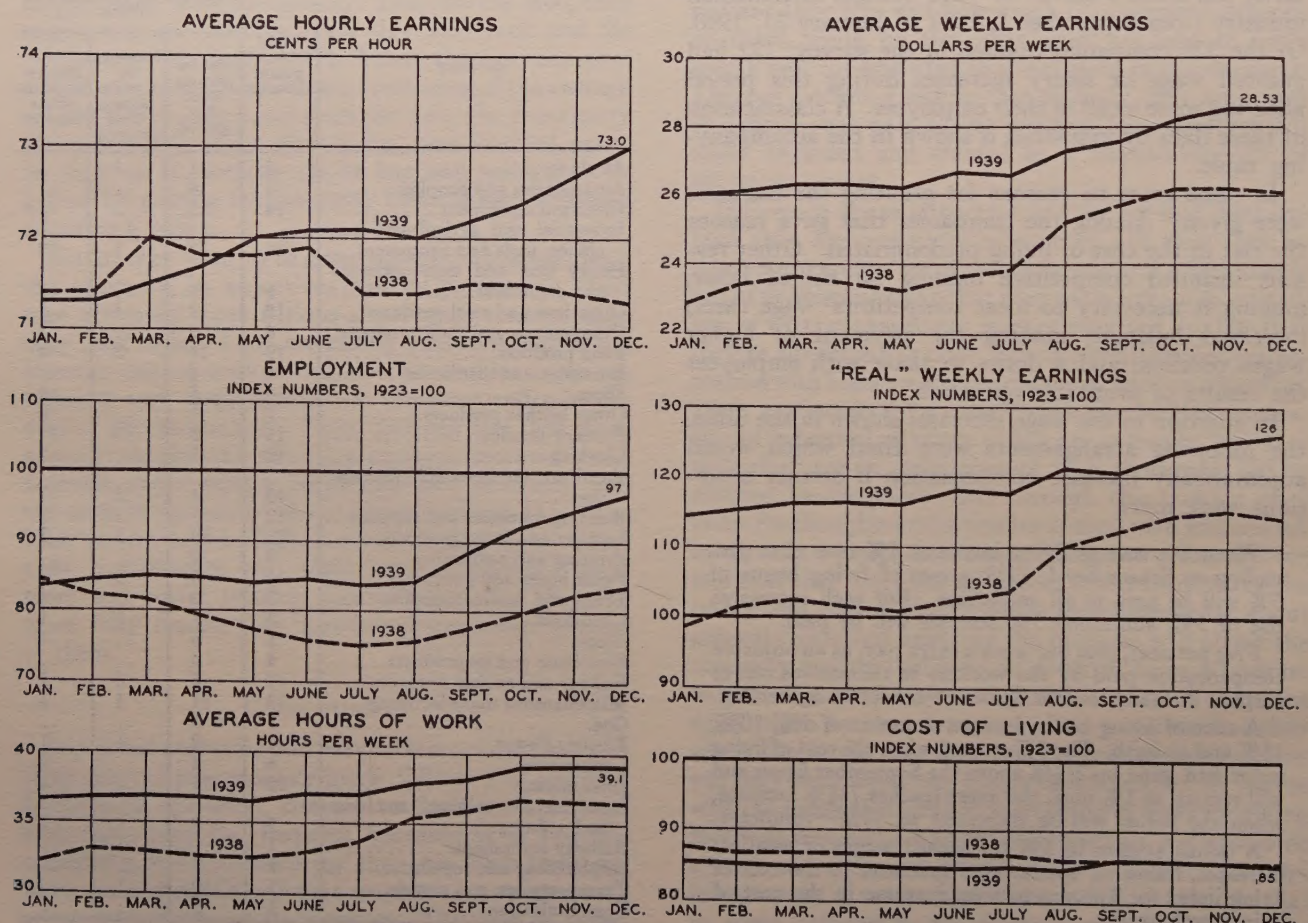
**The Cost of Living** index advanced a little from 116.7 in November to 117.2 in December, 1939, as compared with 116.6 in December, 1938.

**Real Weekly Wages** or the purchasing power of money wages, again advanced slightly from 125.0 in November to 125.7 in December, 1939. In December, 1938 the index stood at 114.0.

**Unemployment** rose in December, 1939 to 8,428,000, an increase of 93,000 over the figure for November, according to estimates made by THE CONFERENCE BOARD. In December, 1938 the estimated unemployment was 9,304,000.

### LABOR TRENDS, 1938-1939

Source: THE CONFERENCE BOARD

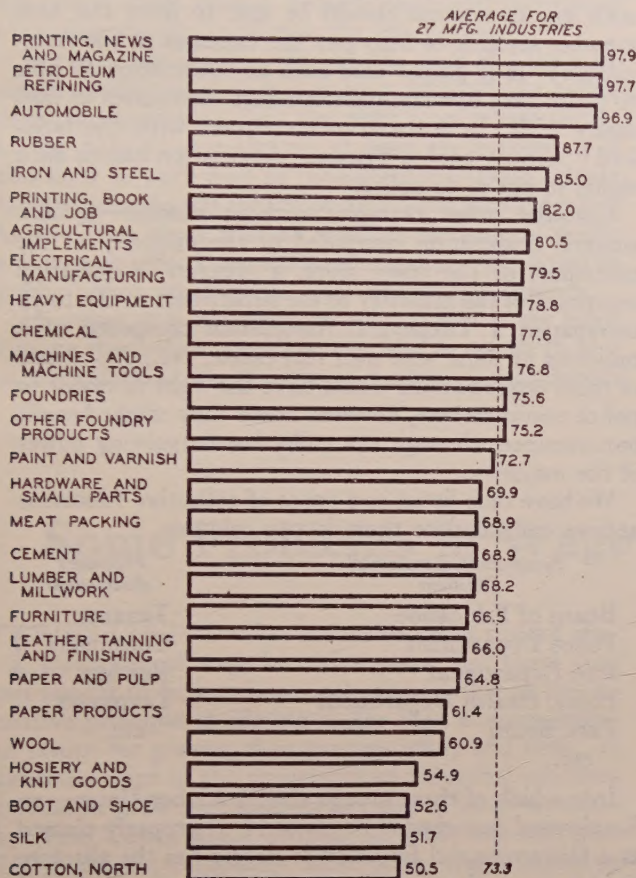




Figures on the preceding page are based on the average for 25 manufacturing industries, since comparable data are available throughout 1938 and 1939. Current average hourly earnings shown below include two additional industries—petroleum refining and cement.

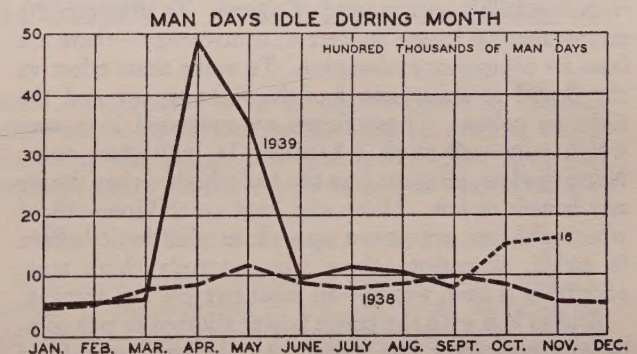
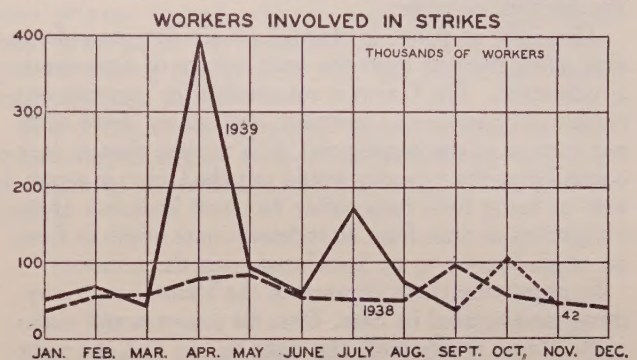
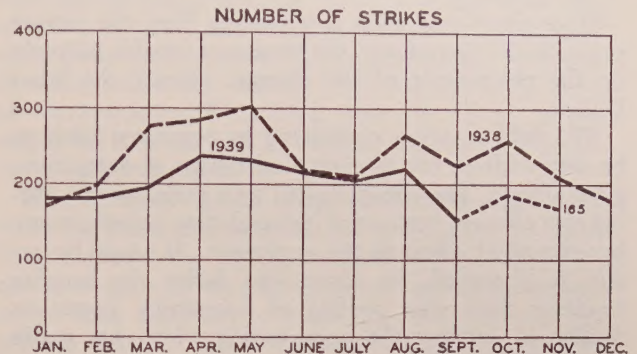
### AVERAGE HOURLY EARNINGS IN CENTS, 27 MANUFACTURING INDUSTRIES, DECEMBER, 1939

Source: THE CONFERENCE BOARD



### INDUSTRIAL DISPUTES, 1938 AND 1939

Source: U. S. Bureau of Labor Statistics



## Some Thoughts on the Closed-Shop Question

[THE CONFERENCE BOARD MANAGEMENT RECORD is glad to publish from time to time statements by business executives that contribute to discussion of important management problems.]

IN THE numerous discussions on the merits of the "closed shop" the reasoning and logic involved are frequently obscured by the immediate purposes of the parties directly interested, and in a number of cases, firm positions have been taken on grounds which, upon examination, are found to be emotional in nature. It is the purpose of this discussion to consider the problem from the standpoint of the basic public rights involved.

The term closed shop is not given the same meaning in all quarters, and this has led to much misunderstanding. Actually there are several features to closed-shop operation which may be classified in one of two ways:

**The right to tax**—the Union has the right to levy various dues upon all employees who may be eligible to Union membership, irrespective of their desire to join the Union.



*The right to police*—the Union has various disciplinary powers over all such eligible employees.

Since the closed shop is a change from the former practices in this country, the burden of proof is properly on the proponents of the change, namely the labor Unions.

The right to tax is considered by organized labor to be derived from the fundamental nature of democratic government. The Union elected by a majority in a voting unit obtains, because of its bargaining powers, many benefits which affect all the employees. It would be unfair, it is argued, for those who derive the benefits resulting from this pooling of bargaining power to decline to support the organization which has made the benefits possible.

The right to police is claimed on similar grounds as also being derived from the very nature of democratic government. The Union is responsible for carrying out certain obligations of a contract, and cannot do so without control of the employees. It is argued that to lack control over the minority would put the Union in a position of being held responsible for such breaches of its obligations as arise from an indeterminate origin or from an origin known to be associated with the minority.

In advancing these arguments the Union has, if anything, understated its case. *Once the governmental status of the Union is admitted*, the right to tax and the right to police follow as a matter of course. To illustrate by an instance no longer subject to controversy—there are laws for compulsory education. To make these effective the Board of Education has the right to tax and the right to police. These rights are exercised in a way which may well work a hardship in individual cases. None the less, all must pay the tax whether they derive any benefit or not. Those who have no children—those whose children are grown up—those who don't believe in public education—those who sincerely think mass education is dead wrong—all must pay the tax anyway.

And so it is with the police power allotted to put compulsory education into effect. All children are subject to it, the sincere or obstinate views of the parents or the children themselves notwithstanding. There are no exceptions—no exempt minority—no right to choose for oneself—compulsory education is a closed shop.

Compulsory education is only one instance. The police department, the fire department, the health service, the park board, etc., etc.—all are recognized governmental functions, and as such they carry the right to tax and the right to police, with no one exempt. (Incidentally, each one of these functions was at one time carried out only privately or not at all, and in each case their establishment as a governmental function was accompanied by much debate and resistance.)

It would seem then that the real inquiry should be directed not at the right of the Unions to tax and to police, but at their contention that they should be con-

sidered as having governmental functions, for as we shall presently see, only from such governmental functions does there flow any absolute right to tax and to police.

Consider for example an Association consisting of a majority of the tenants of a given apartment building, or of a given housing development. Such an Association could by its bargaining power obtain valuable concessions from the landlord for all tenants. Is it proper that such an Association should be able to force the non-member tenants to help pay the expenses of the Association? Is it proper that such an Association be able to insist that non-members conduct themselves in harmony with the Association's contract with the landlord? Clearly such a Tenants' Association has no such rights to tax or to police.

Consider other examples without number—a Consumers' Association composed of the majority of the customers of the town store, a Readers' Association composed of the majority of the subscribers to the town newspaper, a Taxpayers' Association composed of a majority of those who own real estate, etc., etc. None of these organizations would have the right to tax or to police non-members, however much they might benefit non-members through the collective bargaining power of the majority.

We have thus listed two types of collective functions and we can tabulate them in two columns.

<i>Recognized Governmental Functions</i>	<i>Voluntary Associations</i>
Board of Education	Tenants
Police Department	Consumers
Fire Department	Readers
Public Health Department	Taxpayers
Park Board	etc.
etc.	

Into which of these groups should a labor Union—an Employees' Association be classed? If properly classed as a Governmental Function it clearly has the absolute right to tax and police the minority. If properly classed with the Voluntary Associations it has no such absolute rights.

It is clear that at present the labor Unions have no Governmental Function status, nor do they contend that they have it, either historically or through the Wagner Act. Nevertheless, they do want the right to tax and to police, which rights flow only from such Governmental status. It seems clear then, that they should have the right to tax and to police only if they have first acquired a Governmental Function status. That is to say, the same people who during the day are employed in some industrial organization and are *members* of the majority Union, may during the evening be *non-members* of the Tenants Association, the Consumers' Association, the Readers' Association, the Taxpayers' Association, etc. Can these people during the day, as part



of the *majority*, insist that their fellow employees be subject to the taxes and police regulations of the *majority*, and yet during the evening, as part of the *minority*, insist that their fellow tenants, though a *majority*, have no right to tax and police the *minority*? Clearly they cannot thus blow both hot and cold.

Whether the labor Unions should have a Governmental status along with the Board of Education, the police department, etc., is purely a matter of opinion, but the Unions cannot acquire such status without obtaining specific legislation for the purpose.

In the minds of some, the right to work and the associated conditions of work may be considered of a higher order of importance than the right to purchase goods, or the right to rent shelter; at least the protection of this right to work may be considered a suitable subject for legislation to put the Union on a plane with the police force. Time alone will tell whether the general public will vote to labor Unions the same status it has voted to public police departments, and health departments.

However, it is not amiss to point out that the labor Unions themselves would be the first to object to any such legislation. The Board of Education is not selected

only by those parents who have children of school age, nor are any other public servants selected only by those who have a special need for the services rendered. The selection is by the entire body of voters, or by appointment from those selected by the entire body of voters. It would follow that if labor Unions acquired the status of Governmental Functions, then the Union leaders would be selected not by vote of the employees, but by the general public.

Here we have the gist of the problem. Labor leaders want the labor Union to be put into a class by itself. They want for the Union, a voluntary association, the absolute rights to tax and to police—rights which have never been accorded to voluntary Associations under private control. They want these rights under their own private control, whereas such rights have never been granted to any organization without giving the general voting public control of the leadership which exercises such rights.

It is difficult to believe that legislation to confer such special rights on labor Unions will ever be enacted under the form of government now prevalent in the United States.

## Some Problems in Wage Incentive Administration<sup>1</sup>

THERE IS TODAY a noticeable trend toward simplification of wage incentive plans, but there does not appear to be any large-scale abandoning of the incentive principle of offering higher than average wages in return for greater than average effort and skill. A general survey of the prevalence of industrial relations policies in 2,700 companies in all types of business, made by THE CONFERENCE BOARD in 1939, showed that 51.7% of the companies were using wage incentive plans of some kind. An analysis of 900 selected manufacturing companies in which either time rates or an incentive system might be used showed that 75% of these companies are using some form of wage incentive.

In the 313 companies having incentive systems, which provided detailed information for the study, approximately 62% of the hourly-rated employees were on incentive rates, and 38% on straight time rates. Of the workers on incentive rates, 60% were on piece-work, 31% worked under various premium and bonus systems, and about 9% were subject to measured day work.

\* All wage administration revolves about the problem of a fair day's pay for a fair day's work. A fair day's

work must consist of a proper combination of skill, effort and responsibility, as modified by working conditions, but the proper combination of these factors as applied to each job is a matter for careful determination.

### GUARANTEE OF INCENTIVE STANDARDS

One of the major problems in wage incentive administration is the question of the guarantee of incentive standards. Should they be guaranteed? If so, should they be guaranteed for a limited or an unlimited period? Unlimited guarantees are often meaningless because changes in methods may occur so often that guaranteed standards may have a rather short life. Elimination of loose standards by method changes serves merely to emphasize the fact that there is a potential method change on almost every operation. Therefore, it is natural that there is a tendency for workers to refrain from exceeding a certain level of production in order to postpone method analysis on the job.

Executives of some companies now feel that a guarantee of an incentive system for a definite length of time, such as one year, is preferable to an unlimited guarantee. Of 293 companies furnishing information on this policy, 20 companies (6.8%) have adopted the limited guarantee—17 companies giving a one-year

<sup>1</sup>A digest of a report under the same title published by THE CONFERENCE BOARD, February, 1940 (*Studies in Personnel Policy*, No. 19), based on detailed information furnished by 313 manufacturing companies having wage incentives in effect.



guarantee; 2 companies, a three-year guarantee; and one company a six-month guarantee.

Another major problem confronting wage administrators is how to keep abreast of fast recurring method changes, and also how to deal with the cumulative effect of minor method changes that are unreported. In order to prevent the accumulation of minor refinements in operation from becoming a major problem, many executives now feel that it is a good policy to review all operations periodically at definite intervals. In the case of a company that gives a one-year guarantee on all standards the re-time study on each operation might occur on the anniversary of its origin. In other cases it might take the form of an inventory of manufacturing operations at some specified time to verify the existing records, just as a material inventory is taken to verify the records of material on hand.

Of the 313 companies that furnished information relative to this policy, 43 companies (13.7%) have adopted it and 112 other companies (35.8%) reported a favorable attitude toward the policy. There were 96 companies (30.7%) that expressed opposition to the idea and 62 companies (19.8%) remained neutral.

It seems probable that the interest in periodic re-time study is also an indication of a desire to adopt a limited guarantee of incentive standards. It has become evident to many executives that management must either do this or else maintain a large staff of experts on wage administration. The need for a limited guarantee is, of course, lessened if wage administration is handled by an adequate and competent staff.

That many companies have followed the latter course is shown by comparing the number of time-study engineers with the number of hourly-rated workers in certain selected companies. For example, one company, manufacturing electrical apparatus, has 149 time-study engineers, and 7,773 hourly-rated factory workers, or one time-study engineer for every 52 workers. Another company, manufacturing printing machinery, has 6 time-study engineers and 225 hourly-rated factory workers, or one time-study engineer for every 38 workers, the highest degree of concentration shown in the survey.

### MOTION STUDY AND TIME STUDY

About 40% of all manufacturing plants in a group selected for special analysis having more than 1,000 employees are using motion study, the study of individual motions and movements. In many companies the idea has taken hold that motion mindedness should begin at the top of the organization and extend downward to the worker. Motion picture films of shop operations are being used to train manufacturing executives, engineers, and others to be motion-minded. Modern cameras used in this work are so designed that action photographed in the factory can be projected on a screen

at any speed desired, in relation to the original speed of the action. This feature is also valuable in obtaining agreement on what constitutes a fair day's work and what constitutes a killing pace.

Time study consists of four distinct steps: (1) analysis of the existing method; (2) development of the best method; (3) accurate determination of the time required; and (4) appraisal of performance. Of these four steps the one that has perhaps the greatest influence on labor relations is the fourth one: appraisal of performance. This appraisal considers mainly two factors: physical skill and physical effort. It matters little what scale of values is used for expressing performance so long as everyone concerned has an adequate visualization of what constitutes standard (average) performance, and what constitutes a killing pace. There can be no doubt that the accuracy of the appraisal is in direct proportion to the amount of training in this technique that is given to the time-study analysts.

In the past there have been many misunderstandings and misapplications of time studies and motion studies. As a result of these past mistakes, it is no wonder that some opposition still lingers in the minds of workers. In view of the sincere efforts that are being made by many companies to clarify in the worker's mind the purpose of these techniques, it is significant to note that approximately 85% of the companies covered in this study reported that favorable acceptance by the workers of time studies and motion studies is definitely increasing. Reasons given for this change in sentiment include: avoidance of complicated systems, higher earnings under piece-work than under daywork, and improved rate-setting technique that has won the worker's confidence in the ability of trained specialists to set fair task standards.

### UNION PARTICIPATION IN SETTING INCENTIVE STANDARDS

The request by some unions to participate on an equal basis with management in the establishment of incentive standards raises the fundamental question whether management should abrogate its hitherto exclusive right and responsibility to decide on proper operating policy. Joint participation in setting standards appears to be a possible answer to the contention by unions that the incentive system has destroyed democratic control of wage rates.

In this survey, seventeen companies, or about one-eighth of the unionized companies, reported that their unions participate jointly in the establishment of incentive standards. Whether or not such participation will become more widely accepted by employers will depend upon many factors, including management's willingness to share this responsibility with unions, and the willingness of union officers to view this question of standards in a broad way.



## THE POSITION OF WAGE ADMINISTRATION IN THE ORGANIZATION

As a company grows in size the question may arise as to what relative position in the organization wage administration should occupy. One choice lies between assigning it to either accounting or manufacturing. Within the manufacturing organization itself there lies a further choice between service and operating sections. To assign this function to departmental executives may prove to be a handicap, since it is sometimes difficult to secure their consent to changes in methods which might temporarily upset production schedules, increase expense or in some other way prove to be a temporary disadvantage.

Replies were received from 285 companies in answer to the question: To what executive is the supervisor of time study responsible? The largest number, 110 companies (about 39%), designated the plant manager. The second largest number, 86 companies (about 30%), designated the superintendent, while other designations consisted of comptroller, 11 companies; personnel manager, 8 companies; president, 7 companies. Direct control by these executives assures the time-study engineer of management's wholehearted backing and thus leads to better cooperation throughout the organization.

### THE TIME-STUDY ENGINEER

Many employers report that the increased acceptance by workers of time studies and motion studies is due in no small part to the higher caliber of men engaged in making these studies today. Thirty-five per cent of the time-study engineers in the companies surveyed are college graduates or the equivalent, and a much larger proportion have had at least two years of college training or the equivalent. In some companies shop experience is required as a preparation for setting incentive standards. Of 1,887 time-study engineers employed in 268 companies, 68.7% have had one year or more of practical experience in shop work.

The time-study engineer is in a position to know the

details of manufacturing operations and has an overall picture of the coordination of men, materials and machines. Next to the foreman he is probably in closest touch with the worker. It is natural, therefore, that management should look upon the time-study engineer as a potential candidate for executive development.

### THE FOREMAN

Wage administration is a good example of a staff or service activity offering the foreman the benefit of specialized knowledge and experience, but not altering his status so far as responsibility for wages in his department is concerned. In fact, the success of a wage incentive plan depends to a large degree upon the attitude of the foreman. There can be no real prestige for the time-study analyst unless the foreman extends real co-operation. In some companies it is felt that the foreman should acquire actual working experience in making time studies and setting incentive standards.

The significant developments in the field of wage incentives are not so much the particular plans or formulas for applying the incentive principle that have been devised over the years, but the greater emphasis on skillful and equitable administration of the plans, which includes more careful selection and training of the technical men who are responsible for the smooth and satisfactory functioning of the particular plan used by each company. The greater freedom of employees to question standards and rates has made it essential that these be so accurate that their fairness can be demonstrated. And this willingness to prove their fairness or else revise them has gone far to remove the doubts and suspicions that so often interfere with really successful operation of a wage incentive plan. Greater attention to the matter of employee attitude and reaction has done much to make wage incentives more mutually helpful instruments for increasing productive efficiency and employee earnings.

E. S. HORNING

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## Chronology of Events Affecting Labor Relations January 25 to February 10, 1940

### January

29 *Printers' Union Suspended*—A.F.L. Executive Council suspends International Typographical Union, with total membership of about 80,000, from all city central bodies and state federations of labor on account of persistent refusal to pay assessment of 1¢ per member levied by the A.F.L. in 1937 upon all affiliated unions to raise a special fund to combat C.I.O. activities.

30 *U.M.W. Union Condemns Labor Board*—By unanimous rising vote, 2,400 delegates to convention of United Mine Workers adopt resolution condemning "without qualification" certain policies of the National Labor Relations Board.

31 *A.F.L. Calls for Constructive Reemployment*—A.F.L. Executive Council issues statement rejecting theory that chronic and permanent unemployment is unavoidable. Demands that unemploy-



ment problem be removed from politics and that both parties work out a constructive program to stimulate natural reemployment.

## February

- 2 *Solution of Jurisdictional Contests Suggested*—Dean Garrison of University of Wisconsin Law School, former chairman of N.L.R.B., proposes that Labor Board be relieved of obligation to decide between A.F.L. and C.I.O. in cases of contested jurisdiction. He proposes that such cases be settled by the rival unions with the employer.
  - 3 *Number of Idle Youths Increases*—New York Regional Director of National Youth Administration states that in spite of improved business conditions the number of unemployed youths in the country increased from 333,470 in November, 1937 to 395,005 at present.
  - 3 *Calls for Management-Union Cooperation*—Philip Murray, Vice-President of the United Mine Workers and Head of S.W.O.C., calls for cooperative action between management and labor to deal with problems created by technological advances. He would not halt advances of scientific methods, but calls for action to provide for those displaced.
  - 5 *City Tax on Wages Upheld*—Pennsylvania State Supreme Court upholds city tax of  $1\frac{1}{2}\%$  on earned incomes of all who work in Philadelphia regardless of place of residence. Test suit was brought by a \$10 a week clothing worker.
- Union Members Contest Check-off*—Organizer for Progressive Miners of America (A.F.L.) announces he will challenge the compulsory check-off in favor of the United Mine Workers of America now in effect in Pennsylvania coal fields. He claims that one-third to one-half of the employees of the Cameron Colliery are opposed to the check-off as unconstitutional.
- Wool Industry Raises Wages*—Increases in wages from 7% to 10% become effective in mills employing about 80% of the workers in the woolen industry in New England. C.I.O. Textile Workers Union announces campaign for further increases and to bring into line mills that have not yet raised wages.
- 6 *A.F.L. Plans New Drive for Members*—A.F.L. Executive Council announces plans for most inten-

sive organizing drive in the history of the Federation: Special fields of organizing activity to include textiles, retail trade, marine workers, office and white collar workers, government employees, teachers, newspaper men, automobile workers, and miscellaneous trades.

*Ford Company Defies Labor Board on Free Speech*—Ford Company announces through counsel that it will contest Board order requiring it to refrain from "disparaging" or "criticizing" any labor organization. Difficulty was caused by distribution to employees of one plant of reprints of a newspaper interview with Mr. Ford in which he expressed some of his views with regard to labor unions.

*N.L.R.B. Intervenes in Matter of Operating Policy*—Labor Board orders Valley Mould and Iron Corporation to restore to an employee his former privilege of taking Sunday off instead of Tuesday. Board claims that company made the change because of employee's union membership and activity.

- 9 *Strikes at World's Fair Barred*—New York World's Fair Corporation signs agreement with Local 3 of International Brotherhood of Electrical Workers (A.F.L.) specifically banning strikes and providing for arbitration in case of labor disputes. Similar pact to be entered into with Building and Construction Trades Council.

*A.F.L. Powerless to Curb Union Racketeering*—President Green explains that he would be no more able to oust corrupt officials in affiliated unions than the President of the United States could remove a crooked governor of a state, and suggests that any union official who violates the law should be punished in accordance with the statutes covering the crime.

- 10 *C.I.O. Peace Proposal*—John L. Lewis proposes that on March 15, A.F.L. and C.I.O. hold conventions in same hall but separately and vote on the proposition: "Resolved, that the C.I.O. and all its units this day become a part of the American Federation of Labor and that charters of affiliation be granted to each unit of the C.I.O. and that, further, all questions of details concerning the relationships of the two organizations shall be taken up for later consideration in such fashion as the joint convention shall decide."

NOTE: *The Conference Board Management Record* will hereafter be published on or about the 15th of each month.